

BEST PRACTICES SYMPOSIUM
March 29, 2005
Breakout Session - In-School Aversion Activities

Facilitators:

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Notes:

What problems or challenges are schools facing?

1. Credit card vendors offering credit cards to college students, especially freshmen.
2. Credit cards may be necessary for emergencies, but they are also temptations.
3. Credit card vendors offering inducements and approaching students in the malls or major shopping centers.
4. Students coming to college with no financial management skills.
5. Students that are on academic probation need financial management skills and general knowledge on how to be a successful student.
6. Schools do not have enough staff in the financial aid office.
7. When the financial aid office tries to enforce annual refresher counseling, they get backlash from students who complain to the college president. Oftentimes, this results in the elimination of annual refresher counseling.
8. Keeping track of loans and deferments for students who have attended other schools.

Suggestions from brainstorming sessions:

Credit Card Counseling

1. Offer financial literacy programs at student orientation and make parents aware of credit card vendors approaching freshmen to apply for credit cards and let them decide how to address this with their child.
2. Establish a school policy to prevent credit card vending or marketing on campus.
3. Screen credit card vendors and require them to provide a financial counselor on campus.

Early Intervention/Financial Literacy Training

1. Have a financial aid table at commencement ceremonies.
2. Have the college president address the importance of repaying student loans during commencement ceremonies.
3. Offer financial literacy workshops in the dorms. Offer pizza or a book scholarship to improve attendance.
4. Encourage or require Student Council or Greek organizations to participate in offering financial literacy training to their members.
5. Require students to take a College 101 course to learn about financial management tools and other tips to be successful on campus.
6. Offer online counseling which allows schools to tailor financial aid questions.
7. Expand counseling requirements for students on academic probation.

8. Schools should develop and implement a default prevention plan or process.
9. Include people outside of financial aid to serve on the Satisfactory Academic Progress committee.
10. Create online default aversion counseling for freshmen, sophomores, and academic at-risk students.
11. Offer an annual reminder of loan debt during entrance counseling.
12. Take a proactive approach to default prevention by offering annual loan debt information, incorporating information from the National Student Loan Data System (NSLDS) or Institutional Student Information Report (ISIR) data.
13. Limit loans for students on academic probation.

Award Packaging

1. Only recommend in the award letter what is needed for tuition and fees.
2. Package to need only.
3. Offer a Life Success Program that requires students to look at the major course of study, income, and amount of loan debt before a loan is processed.

Default Prevention

1. Send total loan debt notices to high debt borrowers.
2. Send financial tips to students, via email, campus paper, radio announcements, online, etc.
3. Analyze the characteristics of high debt borrowers as a convincing argument to validate the need for financial literacy counseling. Presenting facts and numbers are effective.
4. Do a crosscheck of delinquent borrowers with enrollment data to determine if they are eligible for an in-school deferment.

MGA Tools

1. If a school wants to send letters to delinquent borrowers, a school can receive an electronic report that can be imported into Excel. MGA has procedures on how to import the file, manipulate the file, and mail merge form letters.
2. MGA has sample form letters targeted to delinquent borrowers that a school can use “as is” or can tweak to fit the school's needs.
3. Schools that want to implement the Late Stage Delinquency Program can contact MGA to identify their late stage delinquent borrowers. MGA can also skip-trace this group of borrowers. The school can also facilitate a three-way conference call with the borrower, school, and Student Assistance Corporation (SAC). Regardless of who the lender is, SAC can work with the borrower and the lender to resolve the delinquency.
4. Schools can order special exit packets for withdrawn students. These packets include postage-paid envelopes for the school to send the packet to the borrower. The packet also includes a postage-paid return envelope for the borrower to use to return the exit counseling form to MGA.

Several items that were mentioned during the Post-Graduate sessions were:

1. A school implemented a policy that any time a student calls the school (admissions, financial aid, registrar, etc.) the school asks the student to verify their address, telephone number, and date of birth. The school believes this has helped tremendously with maintaining up-to-date demographic information.

2. MGA offers a High Debt Load Borrower Report for any school that would like a list of students who have high debt loads as defined by the school. The school could send a courtesy letter advising these students that their debt exceeds \$xxxx, and remind them of their repayment responsibilities and the reality of repaying their student loans. National average entry level salaries from www.salary.com can accompany this courtesy letter, as well as an estimated monthly repayment schedule.
3. MGA offers a Student Loan Debt Summary Report for any school that would like a list of all students and their cumulative student loan debt guaranteed by MGA for a given academic year. A school may wish to send every second-year student a copy of their cumulative student loan debt amounts. This report may serve as a reminder to students and may encourage them to borrow less in future academic years.